

# Bangladesh: Political and Strategic Developments and U.S. Interests

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## Summary

Bangladesh (the former East Pakistan) is an Islamic-majority nation in South Asia, bordering the Bay of Bengal, dominated by low-lying riparian zones. It is the world's eighth-largest country in terms of population, with 164 million people housed in a land mass the size of Iowa. Roughly 80% of Bangladesh's population lives on less than \$2 per day. It suffers from high levels of corruption and, at times, a faltering democratic system that has been subject to pressure from the military, though the nation has an established reputation as a largely moderate and democratic majority Muslim country.

U.S. policy toward Bangladesh emphasizes support for political stability and democracy, development, and human rights. The United States has long-standing supportive relations with Bangladesh and views Bangladesh as a moderate voice in the Islamic world. The United States offers economic assistance to Bangladesh, and has military-to-military ties that include cooperation in multilateral peacekeeping. Bangladesh is also of interest to the United States for the role it plays in the larger geopolitical dynamics of South Asia.

Bangladesh has been under threat from a combination of political violence, weak governance, poverty, corruption, and Islamist militancy. There has been concern in the past that influence by Islamist extremists could increase and destabilize the country. Such concerns have abated somewhat in more recent years as Islamist militants have been vigorously pursued by authorities and as Bangladesh has returned to democratic government. That said, experts continue to warn that militants may regroup and present new challenges in Bangladesh despite the significant efforts by the government of Bangladesh against them.

The Bangladesh National Party (BNP) and the Awami League (AL) traditionally have dominated Bangladeshi politics, with the AL in power since January 2009. The AL is led by Prime Minister Sheikh Hasina while the BNP is led by former Prime Minister Khaleda Zia. When in opposition, both parties have sought to regain control of the government through demonstrations, labor strikes, and transport blockades. The current Hasina government came to power with an overwhelming majority in parliament. It has moved forward with a war crimes tribunal to prosecute atrocities from the 1971 war of independence from Pakistan. The Hasina government has also moved to strengthen ties with both India and China. With the help of the army, it successfully suppressed a mutiny by the Bangladesh Rifles, a border guard unit, in February 2009.

Demographic pressure and environmental problems, some likely exacerbated by climate change, are increasingly problems for Bangladesh. A rising population, when combined with limited economic resilience and limits on the extent to which agricultural output can be expanded, could prove to be politically destabilizing in the future. Bangladesh's population increases by approximately 2.2 million each year. This raises urgent questions concerning Bangladesh's future food security. Minority groups in Bangladesh, as well as women's rights and security are threatened due to socio-religious prejudices. Another key concern is worker rights and worker safety. Bangladesh is an important part of global supply chains, particularly in the textile industry, and successive factory disasters there have increased global and U.S. concerns about its labor rights regime.

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## Overview: Bangladesh

With its strategic regional context and a secular and pluralist democracy as well as its status as a moderate Islamist nation, Bangladesh is important to the United States. Although classified as a low-income nation by the World Bank, Bangladesh is a part of the “Next 11” (N-11); the term issued for nations with the largest population and lowest gross domestic product per capita, and the new emerging economies from the developing world.<sup>1</sup> While the nation’s growth potential and attraction to investors depends to an extent on its ability to control corruption, it is part of a group of developing nations which, along with the BRIC nations (Brazil, Russia, India, and China), will hold nearly 70% of the world’s total population.<sup>2</sup>

In May 2013, the Office of the Spokesperson of the U.S. Department of State released the Joint Statement of the Second U.S.-Bangladesh Partnership Dialogue, highlighting the importance of the nation’s development and governance, its partnership of Bangladesh with U.S. agricultural development programs, the possibility of promoting more renewable energy sources, as well as its importance in security measures, including the “continued collaboration in countering extremism, counterterrorism, security assistance, United Nations peacekeeping operations, and humanitarian assistance.”<sup>3</sup>

## Bangladesh-U.S. Relations

U.S. policy toward Bangladesh emphasizes support for political stability and democracy, economic development, liberalized trade and investment, human rights, and some military-to-military exchange. The United States has long-standing supportive relations with Bangladesh and views Bangladesh as a moderate voice in the Islamic world. The U.S. Department of Defense’s Pacific Command works closely with Bangladesh to help expand and improve Bangladesh’s peacekeeping, humanitarian assistance, disaster relief, and maritime security capabilities. Bangladesh is viewed by the United States as an important regional actor. The U.S. encourages Bangladesh to allow the “free movement of ideas, goods, and people” and to enhance “regional peace and prosperity.”<sup>4</sup>

The State Department views U.S. assistance as vital to strengthening the country following its return to a democratically elected government in 2008. The Obama Administration’s Foreign Operations budget request for the 2014 fiscal year seeks to support long-term development in Bangladesh by “addressing the underlying social, demographic, and economic factors that inhibit economic growth and increase vulnerability to extremism.” Due to the moderate form of Islamic belief that is prevalent in Bangladesh, the country is valued for its “strong secular and democratic heritage.” Bangladesh is a contributor to international security and is valued for its efforts in “countering violent extremism, assisting international peacekeeping, and improving regional connectivity.”<sup>5</sup> Bangladesh and the United States have a common interest in working to counter extremist Islamists and their ideology.

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<sup>1</sup> Deen, M.J., “Looking Beyond the BRICs: Jim O’Neill’s ‘Next 11,’” *Financial Post Business*, March 20, 2012.

<sup>2</sup> Ibid.

<sup>3</sup> “Joint Statement of the Second U.S.-Bangladesh Partnership Dialogue,” U.S. Department of State, May 27, 2013.

<sup>4</sup> Ibid.

<sup>5</sup> “U.S. Relations with Bangladesh,” U.S. Department of State, October 26, 2012.

Dhaka is a very active participant in international peace operations. Bangladesh has traditionally been and continues to be one of the largest contributors of military and police contingents to United Nations Peace Operations. As of May 2013, 8,836 U.N. police, peacekeeping troops, and U.N. military experts were contributed to United Nations peacekeeping missions.<sup>6</sup>

Bangladesh is situated at the northern extreme of the Bay of Bengal and could potentially be a state of increasing interest in the evolving strategic dynamics between India and China. This importance could be accentuated by the development of Bangladesh's energy reserves and by regional energy and trade routes to China and India. China has become one of Bangladesh's key suppliers of military equipment.<sup>7</sup> At the same time, Bangladesh seeks closer ties and greater cooperation on a range of issues with India.

The May 2013 Bangladesh-U.S. Partnership Dialogue in Dhaka sought to improve the ties between the two nations through governance programs, economic trade, security cooperation, and regional integration. The United States has promised assistance through USAID and President Obama's Global Health Initiative to improve medical detection of infectious diseases, environmentally sustainable initiatives, and nutritional programs to promote local agriculture and increase consumption. In addition, the United States seeks to increase assistance programs for law enforcement, promote business connections, and to transfer a Coast Guard vessel to the Bangladesh Navy. Moreover, U.S. representatives "participated in a roundtable discussion with government, labor, owners and buyers on labor issues in the garment sector."<sup>8</sup>

### ***Workers' Rights and U.S. Policy***

Workers' rights have long been a concern in Bangladesh, and U.S. attention on the issue was greatly heightened with the collapse of a Bangladesh factory that produced garments for consumers in the United States and Europe on April 24, 2013, resulting in the deaths of more than 1,100 workers.<sup>9</sup> The accident is considered the deadliest accident in the history of the apparel industry.<sup>10</sup>

The United States has provided Bangladesh with relief from tariffs in the past, under the World Trade Organization's Generalized System of Preferences, to generate trade and economic cooperation in economically emerging nations. These trade privileges for Bangladesh were suspended in June 2013, in the aftermath of the factory disaster, due to concern about labor rights violations in Bangladesh. The goal of the suspension was to encourage Dhaka's actions towards the improvement of labor rights.<sup>11</sup>

On July 10, 2013, North American retailers introduced a five-year plan through the Alliance for Bangladesh Worker Safety, which focuses on annual inspections of 500 Bangladeshi factories. It includes 17 retailers and apparel companies including J.C. Penney Co., GAP Inc., Target, and Wal-Mart. The plan, which has raised \$42 million as of July 2013, will run on company

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<sup>6</sup> "Troop and Police Contributors. United Nations Peacekeeping." *U.N. News Center*, United Nations, May 2013.

<sup>7</sup> "\$1b Defence Deal Sealed," *The Daily Star*, January 16, 2013.

<sup>8</sup> Office of the Spokesperson, "Second U.S.-Bangladesh Partnership Dialogue," U.S. Department of State, May 27, 2013.

<sup>9</sup> For further information on the garment accident and its aftermath, see CRS Report R43085, *Bangladesh Apparel Factory Collapse: Background in Brief*, by Mary Jane Bolle.

<sup>10</sup> Ali Manik, Julfikar, "Bangladeshis Burn Factories to Protest Unsafe Conditions," *Asia Pacific. The New York Times*, April 26, 2013.

<sup>11</sup> Greenhouse, Steven, "U.S. to Suspend Trade Privileges with Bangladesh," *The New York Times*, June 27, 2013.

contributions. It is projected that companies will contribute up to \$1 million a year for five years based on how much they produce in Bangladesh.<sup>12</sup> In addition:

Ten percent of the funds will be set aside to assist workers temporarily displaced by factory improvements or if a factory closes for safety reasons. The money will also support a non-governmental organization to be chosen within 30 days that will implement parts of the program.<sup>13</sup>

The accord seeks to address factory inspections and safety commitments; common safety standards for factories; worker training; the incorporation of worker's voices through anonymous hotlines; a governing body for the alliance; semi-annual progress reports; support for improvement of factories; and increased involvement with the Bangladeshi government, through local industry groups and worker rights organizations.<sup>14</sup> The plan has been met with criticism by workers' rights groups that note that without the involvement of Bangladeshi workers, and without legal consequences for participating companies, the project cannot succeed. For additional information see CRS Report R43085, *Bangladesh Apparel Factory Collapse: Background in Brief*, by Mary Jane Bolle.

## U.S. Foreign Assistance

The State Department 2014 Budget Justification Document discusses U.S. assistance to Bangladesh by both account and objective. The accounts are specified in **Table 1** below. Additional U.S. assistance for Bangladesh could be in the area of the environment and climate change adaptation and mitigation assistance, as the consequences of climate change for this low-lying nation may increase dramatically in the years ahead. (See "Environmental Concerns, Climate Change, and Food Security" section below.) The U.S. Agency for International Development (USAID) is working with Bangladesh on a multi-stakeholder approach that uses a co-management model to link management authorities and local communities to achieve sustainable natural resource management and biodiversity conservation. Two USAID pilot projects have been carried out. These projects focused on the Management of Aquatic Ecosystems Through Community Husbandry and the Co-Management of Tropical Forest Resources. Under provisions in the U.S. Tropical Forest Conservation Act, the government of Bangladesh and the U.S. government have agreed to pursue a debt-for-nature swap to promote tropical forest conservation in Bangladesh.<sup>15</sup>

**Table 1. U.S. Foreign Assistance to Bangladesh**

By Account and Fiscal Year (\$s in thousands)

	FY2012 Actual	FY2014 Request
Development Assistance	81,686	80,900
Foreign Military Financing	2,200	2,500
Global Health Programs (USAID)	71,600	75,300

<sup>12</sup> Wohl, Jessica, and Doug Palmer, "North American Group Sets Bangladesh Factory Safety Plan," *Reuters*, July 10, 2013.

<sup>13</sup> Ibid.

<sup>14</sup> Mitchell, George, and Olympia Snowe, "Alliance of Leading Retailers in North America Join Forces in Comprehensive, Five-Year Commitment to Improve Factory Safety Conditions for Workers in Bangladesh," Bipartisan Policy Center, July 10, 2013.

<sup>15</sup> "U.S. AID's Response: Environment," USAID Bangladesh, May 10, 2013.

	FY2012 Actual	FY2014 Request
International Military Education & Training	994	1,000
International Narcotics Control & Law Enforcement	1,394	2,600
Nonproliferation, Antiterrorism, Demining and related Programs	3,666	3,350
Total	204,381	165,650

**Source:** U.S. State Department, "Bangladesh," Budget Justification Foreign Operations, Annex: Regional Perspectives, 2014, <http://www.state.gov/documents/organization/208291.pdf>.

A majority of U.S. infrastructure and development assistance in Bangladesh through USAID focuses on health programs. USAID devoted \$10 million in assistance in both FY2011 and FY2012 to HIV/AIDS prevention, family planning, child nutrition, and assistance for tuberculosis. USAID prioritizes care for women and children, whose health status is particularly poor.<sup>16</sup>

## Domestic Politics, Political Parties, and Elections

Bangladesh is a parliamentary democracy that has traditionally been led by one of two political parties, the Bangladesh National Party (BNP) and the Awami League (AL). The AL has led the government since January 2009. The AL is led by current Prime Minister Sheikh Hasina while the BNP is led by former Prime Minister Khaleda Zia. When in opposition, both parties have sought to regain control of the government through transport blockades, demonstrations, and general protests and strikes also known as *Hartals*. In June 2011, the opposition BNP Party initiated a *Hartal* to protest government plans to revise the caretaker government provision (see below).

Political violence has long been part of the political landscape in Bangladesh. In 2004-2005, a particularly intensive set of bombings carried out by militants raised questions about political stability. Since that time Bangladesh has done much to curb militant Islamist activity.

The Awami League won an overwhelming electoral victory in the 2008 election and captured 229 of 300 parliamentary seats in Bangladesh's unicameral legislature. The BNP captured only 31 seats in 2008. The AL is the lead party in the Grand Alliance that includes 14 other political parties. The AL does not require their support to govern for its full five-year term of office. The next parliamentary elections must be held by April 2014.<sup>17</sup>

## Human Rights

As a low-income nation, Bangladesh argues that it has the right to deny entry to refugees from Burma, which has raised major concerns in the international community. The nation is also

<sup>16</sup> "U.S. Agency for International Development," *Health in Bangladesh*.

<sup>17</sup> "Bangladesh: Country Report," *The Economist Intelligence Unit*, May 2011.



accused of unequal rights to women, human trafficking, as well as the lack of attention to violence against minority groups.

The U.S. Department of State 2012 Human Rights Report<sup>18</sup> details that “the most significant human rights problems were enforced disappearances, discrimination against marginalized groups, and poor working conditions and labor rights.” Discrimination of women and indigenous people as well as extrajudicial deaths have been raised as points of concern by Human Rights groups. The Human Rights Report also found that, “As in the previous year, the government did not take comprehensive measures to investigate and prosecute cases of security force killings.” Furthermore, it found that, “Weak regard for the rule of law not only enabled individuals, including government officials, to commit human rights violations with impunity but also prevented citizens from claiming their rights.”<sup>19</sup>

Human Rights Watch notes that Bangladesh’s human rights violations increased in 2012, as the government ignored the need “to reform laws and procedures in flawed war crimes and mutiny trials” and protected security forces that remain unprosecuted for human rights violations. The group notes, “Civil society and human rights defenders reported increased governmental pressure and monitoring.”<sup>20</sup>

Human rights were further aggravated in 2012 and 2013 by Bangladesh’s denial of Burmese refugees, from an Islamic ethnic group, the Rohingya, whose member sought refuge from violence within Burma. The ethnic group was blocked from entry, and denied humanitarian assistance, and protection. An estimated 200,000 Rohingya refugees currently live in Bangladesh, many of whom are unregistered by the government.

Bangladesh suffers from high rates of human trafficking, though government officials are attempting to curb the number of exploited people through a committee created in 2011 that seeks to monitor and prevent human trafficking. As of 2013, Bangladesh stands at a Tier 2 level of the U.S. Department of State’s Trafficking in Persons Report.<sup>21</sup> According the U.S. Department of State, “Girls and boys as young as eight years old are subjected to forced prostitution within the country, living in slave-like conditions in secluded environments. Trafficking within the country often occurs from poorer, more rural regions, to cities.”<sup>22</sup> Many of the children are sold into prostitution due to poverty or are introduced into the system by fraud. Recruitment fraud of Bangladeshi immigrants into the Gulf region has proved particularly challenging, while the majority of trafficked women and children, sexually exploited workers and forced laborers are sent to Pakistan and India. Although the Ministry of Home Affairs established a National Plan of Action for Combating Human Trafficking in January 2012, the government has been ineffective in properly curbing human trafficking.<sup>23</sup>

Two political leaders from the BNP and five from the Jamaat-i-Islami have been arrested under the International Crimes (Tribunals) Act and accused of war crimes dating back to Bangladesh’s war of secession and independence from Pakistan in 1971.<sup>24</sup> The BNP and Jamaat have opposed

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<sup>18</sup> Bureau of Democracy, Human Rights and Labor, State Department, “2012 Human Rights Report: Bangladesh,” 2012.

<sup>19</sup> Ibid.

<sup>20</sup> “World Report 2013,” *Bangladesh*, The Human Rights Watch, 2013.

<sup>21</sup> “Trafficking in Persons Report 2013,” *Bangladesh*, U.S. Department of State, 2013.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> “Unique Opportunity for Justice for 1971 Atrocities,” *Human Rights Watch*, May 19, 2011.



the ongoing trials and view them as a move that can help the AL further consolidate its political advantage. As many as three million people were killed and 10 million displaced during the 1971 war that was fought between independence forces in then-East Pakistan, with assistance from India, and the Pakistani army that was largely composed of troops from then West Pakistan. The trials are aimed at those in Bangladesh who allegedly committed war crimes, many of whom are thought to have supported West Pakistan against the Bengali nationalists. Suspects include leading members of the Jamaat-i-Islami Party, the largest Islamist political party in Bangladesh. Jamaat had a paramilitary wing, Al-Badr, which collaborated with the West Pakistani military during the war for independence and is thought to have assassinated journalists and academics sympathetic to Bengali independence.<sup>25</sup>

Bangladesh has struggled to stabilize relations between Islamist extremists and its minority religious populations, especially Hindus and Buddhists. While Muslim clerics express their condolences and the aberration against Islam that the attacks represent, the religious minorities in the area have faced persecution since independence. The violence against these communities, especially during the war in 1971, have led to mass movements of victims to India and a drop of the Hindu population from 30% of Bangladesh's population in 1947 to 10% today.<sup>26</sup>

Attacks on Buddhist populations in the Chittagong District have continued for years, worrying Sri Lankan communities in the region as well as the Sri Lankan government.<sup>27</sup> Other minority religions that have been discriminated against include Judaism, which has been targeted in the media, and the Ahmadiyya Muslim community.<sup>28</sup>

## Women in Bangladesh

Many Members of Congress have an interest in promoting women's issues through American development assistance programs including those in Bangladesh. Bangladesh ranks poorly in standards used to judge the rights, abilities, and living standards of women worldwide. For example, in 2012, the UNDP ranked Bangladesh 81<sup>st</sup> out of 93 countries on the Gender Empowerment Index, a ranking determined by the number of parliament seats held by women, female professionals, technical workers, and senior officials, as well as the female to male ratio in the nation.<sup>29</sup> The Global Gender Gap Index of 2012, a measure created by the World Economic Forum based on measures of economic participation and opportunity, educational attainment, health and survival, and political empowerment factors, placed Bangladesh at 86<sup>th</sup> out of 135 nations.<sup>30</sup> Nevertheless, Bangladesh has remained relatively better than some other Islamic nations, including Pakistan, which ranked 134<sup>th</sup> out of 135.

For many poor Bangladeshi women with limited education, the booming textile market of the nation has provided opportunity to work. Nearly 3.6 million women (about 80% of the entire

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<sup>25</sup> "Bangladesh Politics: Do Mention the War," *The Economist*, July 23, 2009.

<sup>26</sup> Ibid.

<sup>27</sup> "Attack on Buddhist Temples in Chittagong—No Cause for Alarm," Ministry of External Affairs, Colombo, Sri Lanka, September 5, 2012.

<sup>28</sup> "International Religious Freedom Report for 2012," *Bureau of Democracy, Human Rights and Labor*, U.S. Department of State, 2012.

<sup>29</sup> "Gender Empowerment Measure," United Nations Development Programme, 2012.

<sup>30</sup> Hausmann, Ricardo, Laura D. Tyson, and Saadia Zahidi, "The Global Gender Gap Report," World Economic Forum, 2012.

industry<sup>31</sup>) work in Bangladesh's garment industry as of 2013,<sup>32</sup> which, according to the UNDP, is "a way out of rural poverty for thousands of Bangladeshi women, as is the case in many other parts of the developing world."<sup>33</sup> A source reports that garment factories remain the most dominant employment opportunity for women, noting that "A World Bank study found in 2008 that compared with other countries, agriculture does not employ as many women in Bangladesh. World Bank experts say this is because land-holding size and agricultural productivity have been historically low, leading to low demand for labour."<sup>34</sup>

In light of the April 2013 garment factory tragedy, Bangladesh and Western governments hope to collaborate on effective reforms for the safety and labor standards for workers in garment factories. The nation is calling on Western investors of the garment industry to ensure that wages are improved from their current \$38 per month fare—one of the worst rates in Asia—and to ensure the structural qualities of the factories. Bangladeshi activists as well as development experts note that an improvement in the textile industry and its millions of female workers, would spur Bangladesh's development, through women's tendency to invest steady incomes on the nutrition, education, and healthcare of their families.<sup>35</sup> The garment industry remains an option to avoid the physical toil of agriculture, or as construction workers or house maids.<sup>36</sup>

The increased employment in new textile and garment industries has both created the opportunity for empowerment and heightened social tensions in Bangladesh. *The Guardian* notes that, "While the garment industry has benefited from the cheap labor offered by women—who tend to work for less than men—the industry has reduced the marginalisation of women who were excluded from formal sector jobs."<sup>37</sup> Although providing a route out of poverty to many Bangladeshi women, the right of a female to work without the accompaniment of a male guardian is often questioned by religious fundamentalist in the Islamic-majority nation. Although they provide a large portion of Bangladesh's remittances, women also suffer from vulnerability to abuse and health risks through undocumented migration to the Persian Gulf, India, and other centers of work.<sup>38</sup>

Several international and non-governmental organizations are actively involved in reversing the harmful effects of undocumented migration and empowering Bangladeshi women, including the U.N. Women Bangladesh Program Office's Regional Program to Empower Women Migrant Workers in Asia. USAID also remains an active participant in Bangladesh's struggle for women's equality. The agency notes, "Gender inequity is a cross-cutting issue that affects the long-term development of Bangladesh and hinders economic growth." USAID hopes to incorporate

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<sup>31</sup> Ibid.

<sup>32</sup> Al-Mahmood, Syed Zain, "Bangladesh's Garment Industry Still Offers Women Best Work Opportunity," *The Guardian*. Guardian News and Media, May 23, 2013.

<sup>33</sup> Chhibber, Ajay, "Bangladesh Tragedy Exposes Need for Responsible Globalization," United Nations Development Programme, May 28, 2013.

<sup>34</sup> Al-Mahmood, Syed Zain, "Bangladesh's Garment Industry Still Offers Women Best Work Opportunity," *The Guardian*. Guardian News and Media, May 23 2013.

<sup>35</sup> Pasricha, Anjana, "Bangladesh Hopes Garment Sector Change Will Empower Women," *Voice of America*. June 5, 2013.

<sup>36</sup> Pasricha, Anjana, "Bangladesh Hopes Garment Sector Change Will Empower Women," *Voice of America*. June 5, 2013.

<sup>37</sup> Al-Mahmood, Syed Zain, "Bangladesh's Garment Industry Still Offers Women Best Work Opportunity," *The Guardian*, Guardian News and Media, May 23, 2013.

<sup>38</sup> Al-Mahmood, Syed Zain, "Bangladesh's Women Take Rocky Road to India in Search of Freedom and Cash," *The Guardian*, Guardian News and Media, January 31, 2013.

recommendations in projects to increase gender participation; require partners of the organization to develop exercises related to gender parity; have a gender advisor for all project considerations; and assess programs based on gender equity goals.<sup>39</sup>

## The Bangladesh Military

Bangladesh has suffered through multiple coups and often tense relations between the military and successive civilian governments, since its independence in 1971. Although a parliamentary democracy, since 1990, it “has seen two presidents killed in military coups and 19 other failed coup attempts,” which have included the deaths of Hasina’s father, Sheikh Mujibur Rahman as well as her opposition, Khaleda Zia’s husband, Ziaur Rahman.<sup>40</sup>

Tensions between the military and the government over corruption, poor pay, and poor benefits led members of a paramilitary unit to mutiny on February 25, 2009, and kill 57 officers and 15 of their family members. The two-day mutiny was quickly suppressed by the army.<sup>41</sup> Army Chief of Staff General Muhammad Abdul Mubeen supported Prime Minister Hasina during the mutiny.<sup>42</sup>

More recently, a government deal with Russia has provided the Bangladeshi military with additional arms. After bilateral talks in January 2013, Russia agreed to grant \$1 billion in loans for arms purchases to improve military and technical cooperation between the nations. This deal was in addition to Russian grants to Bangladesh’s nuclear power plant construction, which currently remains in the initial stages of the project.<sup>43</sup>

## Islamist Extremism

Bangladesh was originally founded on secular-socialist principles and grounded in an ethnic Bengali nationalism as opposed to a Muslim religious identity. Some have attributed the rise of Islamist influence in Bangladesh to the failure of Bangladeshi political elites to effectively govern or to provide moral leadership and effectively represent the interests of the masses.<sup>44</sup> Some believe this created political space for the Islamists to gain influence during the previous BNP government.

The U.S. Department of State notes that

The Government of Bangladesh has demonstrated its commitment to combating domestic and transnational terrorist groups, and its counterterrorism efforts made it harder for transnational terrorists to operate in or establish safe havens in Bangladesh.<sup>45</sup>

The United States offers assistance to Bangladesh for counterterrorism prevention, monitoring and detection.<sup>46</sup>

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<sup>39</sup> “Gender Equality and Women’s Empowerment,” *U.S. Agency for International Development*, May 10, 2013.

<sup>40</sup> “Bangladeshi Military ‘foils Coup Plot,’” *The Guardian*, January 19, 2012.

<sup>41</sup> “BDR Peelkhana Mutiny Trial Begins Today,” *The Daily Star*, February 23, 2010.

<sup>42</sup> “Charges for Bangladesh Mutineers,” *BBC News*, March 1, 2009.

<sup>43</sup> “Russia Grants Bangladesh \$1 Billion Loan for Weapons: Putin,” *Reuters U.S.*, January 15, 2013.

<sup>44</sup> Ali Riaz, *God Willing: The Politics of Islamism in Bangladesh* (New York: Rowman and Littlefield Publishers, 2004).

<sup>45</sup> U.S. Department of State, “Country Reports: South Asia Overview,” in *Country Reports on Terrorism*, released by the Office of the Coordinator for Counterterrorism, May 2013.

<sup>46</sup> *Ibid.*

## Extremist Groups

Several militant extremist groups have operated in Bangladesh, including Jamaat-e-Islami, a group with known connections to Al Qaeda. Other radical groups include Harkat-ul-Jihad-al-Islami (HuJI) and the Islamic Oikya Jote, both of which have some international linkages.<sup>47</sup> While Bangladesh has suffered a number of terrorist attacks in the last decade, the government is taking serious steps to curb extremist groups.

The struggle between radicalism and moderate Islam played out in early 2013, when protestors took to the streets of Dhaka in mass numbers to oppose the Hefajat-e-Islam (Protectorate of Islam), an Islamist group, and the government petition to enforce the death penalty on those who blasphemed Islam.<sup>48</sup> The radical Islamist measures seek to punish those who allowed men and women to mix freely and foreign influences,<sup>49</sup> to enforce a mandatory Islamic education and to reinstate religious aspects in the secular nation's constitution. The conflict claimed at least 150 lives by May 2013. CNN reported that "What is happening in Bangladesh is a push and pull between two forces to determine the future direction of the country";<sup>50</sup> it is a struggle between Bangladeshi youths, inspired by social media sources to moderate Islamic fundamentalism in the nation, and Islamic radicals who criticize protestors as anti-Islamic atheists.

## U.S. Counterterrorism Efforts in Bangladesh

The United States assists with Bangladesh and other South Asian nations' counterterrorism efforts through military training assistance.<sup>51</sup> The United States' assistance has been especially important for disaster response, terrorism prevention, and to contain radical terrorist groups.

The Government of Bangladesh has also attempted to curb terrorism in recent years through social measures that especially focus on the youth. According to the Country Reports on Terrorism published by the United States Department of State Bureau of Counterterrorism, "The Ministry of Education provides oversight for madrassas and is developing a standard national curriculum that includes language, math, and science curricula; and minimum standards of secular subjects to be taught in all primary schools, up to the eighth grade," and the "Ministry of Religious Affairs and the National Committee on Militancy Resistance and Prevention work with imams and religious scholars to build public awareness against terrorism."<sup>52</sup> The government has additionally focused on economically empowering women to "buffer against violent extremist messages of male religious leaders."<sup>53</sup>

The Bureau of Democracy, Human Rights, and Labor reports that "The U.S. government offered programs to madrassah students and teachers on religious tolerance, human rights, and gender equality, among other topics. The embassy reached out to influential leaders nationwide,

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<sup>47</sup> For further information on extremists groups, see CRS Report RS22591, *Islamist Extremism in Bangladesh*, by Bruce Vaughn.

<sup>48</sup> "Islamist Protests Rock Dhaka," *Asia News*, May 10, 2013.

<sup>49</sup> "Hard-Line Muslim Rally Demands Anti-Blasphemy Laws in Bangladesh," *The New York Times*, April 7, 2013.

<sup>50</sup> Ahmed, Saeed, Farid Ahmed, and Sajjad Hussein, "Bangladeshi Capital Wears an Eerie Calm a Day after Islamists Battle Police," *CNN*, Cable News Network, May 6, 2013.

<sup>51</sup> "Pentagon Commander Says U.S. Special Forces in India," *BBC*, February 3, 2012.

<sup>52</sup> U.S. Department of State, "Country Reports: South Asia Overview," in *Country Reports on Terrorism*, released by the Office of the Coordinator for Counterterrorism, May 2013.

<sup>53</sup> U.S. Department of State, "Country Reports: South Asia Overview," in *Country Reports on Terrorism*, released by the Office of the Coordinator for Counterterrorism, May 2013.

including religious leaders, to introduce the concepts and practices of modern development and democracy through training.”<sup>54</sup> USAID and the Bangladesh Ministry of Religious Affairs, as well as the Islamic Foundation, have also cooperated to create a Leaders of Influence (LOI) project in 2011 for Bangladesh which is, in part, used to train Muslim leaders, imams, and other religious leaders of the necessity to promote democracy, tolerance, family planning and social harmony.<sup>55</sup>

## **Bangladesh in a Regional Context**

Bangladesh is a nation of strategic importance not only to the South Asian sub-region but to the larger geopolitical dynamics of Asia as a whole. The Bengalis’ struggle with West Pakistan was at the center of the 1971 Indo-Pakistan war. The creation of the independent state of Bangladesh at that time forever weakened Pakistan’s position relative to India. This has enabled India to operate as a key actor not only in South Asia, but in Asia as a whole. As a result, in the view of many, India could potentially challenge and/or balance China’s emerging strategic posture in Asia. In this way, Bangladesh has played, and will likely continue to play, a role in the shifting regional balance of power between India and China. Some Bangladeshi strategic thinkers believe that the nation should pursue closer ties to China as a strategic counterweight to Bangladesh’s relationship with India. The 2010 opening of road and rail routes through Chittagong and Mangla ports in Bangladesh to India’s northeast has led others in Bangladesh to talk of developing trade linkages to China.<sup>56</sup> The opening of Burma holds the prospect of further connectivity with the members of the Association of Southeast Asian Nations (ASEAN).

## **Bangladesh-China Relations**

Prime Minister Hasina traveled to China in March 2010 to seek closer cooperation with China in a number of areas. These include Chinese cooperation to construct a deep sea port at Chittagong and to establish a road link from Chittagong to Kunming, China. Some have also called for Chinese investment in developing a deep seaport at Sonadia, which is relatively close to Bangladesh’s border with Burma, and using Kunming-Burma road linkages.<sup>57</sup> China reiterated its support for the Deep Sea Port in Chittagong in June 2011.

A “Closer Comprehensive Partnership of Cooperation” joint statement was issued on March 19, 2010, to take bilateral relations between China and Bangladesh forward. The statement called for intensifying cooperation in a number of areas that include sharing hydrological information on the Brahmaputra, intensifying exchanges, Chinese dredging of river beds, enhancing transportation links, increasing bilateral trade, and strengthening exchange and cooperation between the two states’ militaries “to safeguard respective national security and stability and promote peace and stability in the region.” Bangladesh has reaffirmed its One China policy and expressed support for China’s efforts to enhance its cooperation with South Asian Association of Regional Cooperation (SARC) countries.<sup>58</sup>

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<sup>54</sup> “International Religious Freedom Report for 2012,” *Bureau of Democracy, Human Rights and Labor*, U.S. Department of State, 2012.

<sup>55</sup> U.S. Department of State, “Country Reports: South Asia Overview,” in *Country Reports on Terrorism*, released by the Office of the Coordinator for Counterterrorism, May 2013.

<sup>56</sup> “Dhaka Should Balance Ties with Delhi, Beijing,” *Plus News Pakistan*, March 15, 2010.

<sup>57</sup> “Bangladesh: Balancing Ties with Delhi and Beijing,” *China Forum*, April 13, 2010.

<sup>58</sup> “Dhaka-Beijing Jt Statement Outlines Closer Cooperation,” *The Daily Star*, March 20, 2010.

One issue that bedevils Sino-Bangladesh ties is China's hydropower plans on rivers that flow into South Asia—concerns that are particularly acute in low-lying Bangladesh. China announced plans in 2010 to build a massive dam on the Yarlung Tsangpo River on the upper reaches of the Brahmaputra River. Observers in Bangladesh are concerned about the impact that this and other possible dams may have on the flow of the Brahmaputra including the possible diversion of its flow within China.<sup>59</sup> Ongoing engagement by China with South Asian states, particularly in the area of developing port access, has led to suspicion of China's motives among some in strategic circles in India and the United States. From this perspective, port development in Bangladesh could be seen as part of a "string of pearls" strategy that could in the future be used by China to secure sea lanes that cross the Indian Ocean and link its industrialized eastern seaboard with the energy resources of the Middle East. China has been developing ports in Gwadar, Pakistan, and at Hambantota, Sri Lanka.

## **Bangladesh-India Relations**

Prime Minister Hasina has pursued improved relations with India as well as with China. India supported Bangladesh's struggle for independence from West Pakistan, of which Bangladesh was a part from 1947 to 1971. As one source points out, "The improved relations are largely due to her efforts to stamp out anti-Indian sentiment in Bangladesh."<sup>60</sup> Despite this, relations between India and Bangladesh have been strained at times due to border disputes, the presence of Islamist militants in Bangladesh, and Indian concern that insurgents from India's northeast have sought refuge inside Bangladesh.

In September 2011, representatives from India and Bangladesh met to draft an agreement for economic and social cooperation and long-term peace and understanding titled "Framework Agreement on Cooperation for Development."<sup>61</sup> Some observers believe the framework is intended to "neutralize China's growing influence" in Bangladesh by providing "more economic leverage to Bangladesh and allow Bangladesh to have a bigger share of India's growing economic success."<sup>62</sup> The agreement addresses many points of contention between the nations including deportment of terrorists harbored in nations, as well as Bangladesh's illegal immigrants and the status of migrant workers. In addition, it promises disaster management aid, scientific, educational, and cultural cooperation between the two nations, environmental protection measures, shared water resources and ties with India's \$1 billion pledge in investments for Bangladesh's infrastructure.<sup>63</sup>

Bangladesh has also joined in Indian plans in sharing a hydro-power project in northeastern India. Bangladesh hopes to "obtain a meaningful portion of the power so produced (whether jointly or

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<sup>59</sup> "Dhaka to Play Diplomacy Card with China," *bdnews24.com*, June 17, 2011.

<sup>60</sup> Kumar, Sanjay, "India's Growing Ties with Bangladesh," *The Pulse Perspectives on South Asia*, The Diplomat, February 1, 2013.

<sup>61</sup> "Reconfiguring Bangladesh-India Relations," *The Hindu*, March 26, 2013.

<sup>62</sup> Kumar, Sanjay, "India's Growing Ties with Bangladesh," *The Pulse Perspectives on South Asia*, The Diplomat, February 1, 2013.

<sup>63</sup> "Framework Agreement on Cooperation for Development Between Government of the Republic of India and Government of the People's Republic of Bangladesh," September 2011; and Kumar, Sanjay, "India's Growing Ties with Bangladesh," *The Pulse Perspectives on South Asia*, The Diplomat, February 1, 2013.



otherwise”<sup>64</sup> through this deal. The World Bank reports that more than 60% of people do not have access to electricity in Bangladesh.<sup>65</sup>

## **Economic Development and Trade**

Although it remains one of the world’s poorest nations, Bangladesh has experienced consistently sound rates of GDP growth over the past decade. Manufacturing, particularly of readymade garments, and remittances remain key aspects of the Bangladesh economy. Per capita GDP has grown due to economic expansion and slower rates of population growth. GDP almost tripled from 1994 to 2010 while per capita income rose from \$325 in 1998 to \$588 in 2011.

Bangladesh’s GDP is generally expected to grow by about 6% in 2013.<sup>66</sup> Despite these achievements much more will have to be done to continue to accommodate the increasing numbers of Bangladeshis entering the workforce.

Bangladesh-U.S. trade has been expanding in recent years, and the United States is Bangladesh’s largest trading partner. Although the two nations have discussed a Trade and Investment Framework Agreement (TIFA), Bangladeshi concerns over environmental, labor, and intellectual property provisions have made it reluctant to move forward with a TIFA. American trade and investment interests in Bangladesh include developing natural gas reserves thought to be found in the Bay of Bengal off Bangladesh’s coast.

Bangladesh is highly dependent on remittances from Bangladeshis working overseas, which account for 12% of GNP.<sup>67</sup> Two-thirds of Bangladesh revenue from remittances comes from the Middle East. There are an estimated six million Bangladeshis working abroad. They make Bangladesh one of the world’s largest sources of overseas workers.<sup>68</sup> Bangladesh textile exports, which are another source of foreign exchange, are reportedly doing well, which may in part offset remittances shortfalls.<sup>69</sup>

In January 2013, Bangladesh revoked its request for financing from the World Bank, objecting to conditions placed on the package, and opted to instead to seek some financial assistance from Russia, which loaned \$500 million to Bangladesh for its nuclear power program.

## **Environmental Concerns, Climate Change, and Food Security**

Bangladesh is one of the countries of the world thought most likely to suffer the adverse effects of climate change. Some view it as the most vulnerable country to the negative impact of climate change, due to its low-lying geography.<sup>70</sup>

Demographic pressure and environmental problems, including those linked to climate change, are increasingly problems for Bangladesh as well. The low-lying nation would be significantly affected by projected sea level rise. Some projections are now estimating that, at “the present rate of 8mm a year it may only take about 25 years to raise levels 20cm, enough to permanently

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<sup>64</sup> “Reconfiguring Bangladesh-India Relations,” *The Hindu*, March 26, 2013.

<sup>65</sup> “The Most Bucks for the Biggest Bang,” *The Economist*, February 6, 2013.

<sup>66</sup> “HSBC Global Connections Report—Bangladesh,” HSBC Global Connections, February 2013.

<sup>67</sup> “Remittances Profile: Bangladesh,” Migration Policy Institute, 2011.

<sup>68</sup> “Labour Migration,” International Labour Organization, 2013.

<sup>69</sup> “The Arab Spring’s Chill Winds,” *The Economist*, April 23, 2011.

<sup>70</sup> Devin Hagerty, “Bangladesh in 2007,” *Asian Survey*, February 2008.



waterlog and destroy the land and drinking water of as many as 10 million people in the south of the country.”<sup>71</sup> Increasing temperatures during growing seasons in key food exporting nations globally have reduced potential yields and contributed to rising prices.<sup>72</sup> Threats to food production come at a time when global population is projected to increase to 9 billion by 2050. Such climate-related challenges as well as an increasing population, when combined with poor economic resources and limits on the extent to which agricultural output can be expanded, could prove to be politically destabilizing in the future.<sup>73</sup>

Rising sea levels and increased salinity in low-lying areas are thought to be responsible for undermining forest health and leading to lower crop yields. The Intergovernmental Panel on Climate Change (IPCC) has projected that rice and wheat production in Bangladesh could decrease by 8% and 32% respectively by the year 2050 and that rice yields will likely decrease by 10% for every one degree Celsius rise in growing-season minimum temperature.<sup>74</sup> A World Bank Report notes that Bangladesh remains a potential impact hotspot, due to climate change, with more severe river floods, tropical cyclones as well as rising sea levels and high temperatures expected in the future.<sup>75</sup>

Bangladesh reached food self-sufficiency in the 1990s due largely to the introduction of “green revolution” technologies and higher-yielding varieties of rice.<sup>76</sup> Despite this, Bangladesh imports rice, though it is decreasing its rate of importation substantially. In 2012’s outgoing fiscal year, Bangladesh’s imports of rice and wheat dropped to 2.24 million tonnes from 5.15 million tonnes in 2011.<sup>77</sup>

Bangladesh’s lack of resources to accommodate those displaced by environmental changes, and already stressed conditions due to extreme population density, could lead to further cross-border migrations into bordering India, which could exacerbate existing border tensions.

Due to the severe consequences and environmental degradation of Bangladesh, both the international community and the regional governments have sought to reduce the impact of climate change in recent years.<sup>78</sup> While the nation promised to significantly comply, and improve measures to ensure environmental sustainability, it cautions that, “given its resource limitations, the country needs finance and technology transfer as well as capacity enhancement support, consistent with the properly defined tasks that it will take to move steadfastly towards the goal of sustainable development.”<sup>79</sup>

USAID is also an active participant in environmental conservation in Bangladesh. In a 2008 Integrated Project Area Co-management (IPAC) project, a five-year investment of \$13 million was made to “promote and institutionalize an integrated Protected Area (PA) co-management system for sustainable natural resources management and biodiversity conservation that results in

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<sup>71</sup> Vidal, John, “Sea Change: The Bay of Bengal’s Vanishing Islands,” *The Guardian*, Guardian News and Media, January 29, 2013.

<sup>72</sup> Lesley Russell, “Pressure on Food Begins to Bite,” *Canberra Times*, June 10, 2011.

<sup>73</sup> Bangladesh’s Census: In Search of Common Denominator,” *The Economist*, March 17, 2011.

<sup>74</sup> IPCC, *Climate Change 2007: Working Group II: Impacts, Adaptation and Vulnerability*, 2007.

<sup>75</sup> “Warming Climate to Hit South Asia Hard with Extreme Heat, Floods, and Disease, World Bank Report Says,” The World Bank, June 19, 2013.

<sup>76</sup> “Is Growth in Bangladesh’s Rice Production Sustainable?” <http://ideas.repec.org>.

<sup>77</sup> Parvez, Sohail, *Bangladesh’s Food Import Dips by Half*, The Daily Star, January 28, 2012.

<sup>78</sup> “Rio + 20: National Report on Sustainable Development,” *Bangladesh*, RIO +, May 20, 2012.

<sup>79</sup> Ibid.

responsible, equitable economic growth and good environmental governance.”<sup>80</sup> The organization also accepts that it will adjust its policy towards Bangladesh based on immediate needs, and to cater to long-term goals.

**Figure I. Map of Bangladesh**



Source: Map Resources. Adapted by CRS.

<sup>80</sup> “USAID: Bangladesh: Environment,” *USAID: Bangladesh: Environment*, September 27, 2011.

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